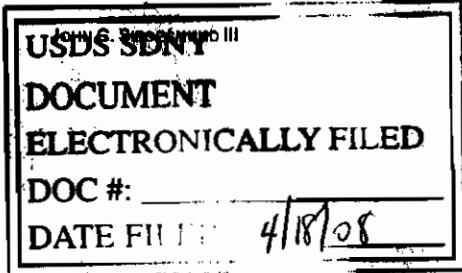


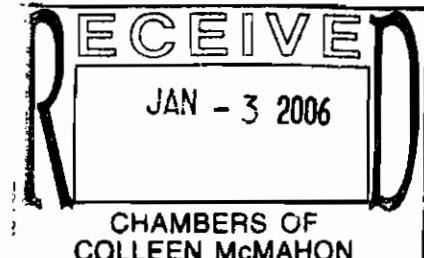
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December 28, 2005



The Honorable Colleen McMahon  
 U.S. District Court for the Southern District of New York  
 300 Quarropas Street  
 White Plains, NY 10601

Re: Samuel Israel III and Daniel E. Marino

Dear Judge McMahon:

In February, 2003, I invested \$250,000 in The Bayou Fund. Because of the fraud committed by Mr. Israel and Mr. Marino, all or most of that money appears to be gone, not to mention the approximately \$70,000 in earnings I had allegedly made on my investment and had duly reported on my income tax returns. It is my understanding that Mr. Israel and Mr. Marino are scheduled for sentencing in your courtroom on January 9, 2006. I would like to take this opportunity comment on their sentences.

Theft is a serious crime, especially when it is of the magnitude of the fraud committed by these two. That alone mandates serious punishment. There are, however, two aspects of this fraud that make it especially egregious. First, this was not the rash act of two fund managers desperately trying to hide their investment failures. Rather, it was a well-conceived and well-orchestrated strategy of fraud, deceit, and theft extending over many years. I received offering materials detailing the fund's investment strategy, its successful history, and the background of Mr. Israel. All lies. I received weekly e-mails that gave me the status of my investment accompanied by detailed descriptions of the trades Mr. Israel had taken. All lies. There were regular conference calls in which Mr. Israel described the fund's performance and his investment strategies. All lies. There were detailed financial reports prepared by Mr. Marino and his fake accounting firm. All lies. The investment returns that were reported for the fund were never too good or too bad and varied up or down with the general market conditions. All lies, cynically designed to deflect suspicion. There were apparently heartfelt and candid letters from Mr. Israel describing his personal and legal troubles that were little more than cynical attempts to play on the goodwill and trust of his investors. The list could go on, but the bottom line is this: The Bayou Fund was a carefully planned and carefully executed fraud, attended by malice, greed, and complete contempt for the law.

Second, on a more personal note, I believe it is important to consider the fact that Mr. Israel and Mr. Marino lowered the minimum investment in the fund from \$1,000,000 to

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\$250,000. The sole reason for this was to snare individual investors of more modest means who were the least likely to have the time, inclination, or resources to investigate the fund. Moreover, these were the sort of investors who were most likely to feel the impact from the loss of their money. I am not a billion dollar institution, nor do I consider myself especially wealthy. I am 58 years old, and my wife and I worked 35 years to save roughly \$2.5 million in investment assets, which is what we plan to retire on. Mr. Israel and Mr. Marino took 10% of those savings. No one will go hungry in our house, but I can assure you that this loss is far more than incidental to us. We will feel it as long as we live, and there will be trips we will not go on and things we will not do because of what they did to us.

I have been a lawyer all of my working life, and I have always had faith in our justice system. But when something like this happens, it puts the concept of faith in the system in a whole new, and much more personal, light. What these men did to me and my wife was cold blooded, calculated, and cruel. They deserve to go to prison for a long time, and I ask you to see that they do.

Very truly yours,



John C. Siegesmund III